

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 516 - HB 1016

April 12, 2021

SUMMARY OF ORIGINAL BILL: Increases the maximum monthly 401k matching amount from a state employer from 100 percent of the first \$40 contributed to 100 percent of the first \$50 contributed per employee per month, unless a higher maximum is specifically prescribed in the annual general appropriations act.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (005135): Deletes all language after the enacting clause such that the only substantive changes are to clarify that employers may begin matching up to the new amount beginning on July 1, 2021 rather than on July 1, 2006, and to change the effective date from "upon becoming a law" to July 1, 2021.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumption for the bill as amended:

- The Department of Finance and Administration currently budgets so that the effective matching amount from state employers is 100 percent of the first \$50 per employee per month. It is assumed that, pursuant to this legislation, the effective matching amount from state employers will continue to be 100 percent of the first \$50 per employee per month; therefore, the fiscal impact is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

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